

FBIS**DAILY REPORT
CONTENTS***China*

27 Jul 87

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i

INTERNATIONAL AFFAIRS

SOVIET UNION

Foreign Ministry Spokesman Views Gorbachev Plan C 1
Soviet Editor in Chief Meets Tian Jiyun C 1
[LIAOWANG 13 Jul]

NORTHEAST ASIA

Vandalism Occurs at Japanese Embassy in Beijing D 1
[KYODO]
Ministry Regrets Vandalism D 1
Article Supports Checking Japanese Rightists D 1
[RENMIN RIBAO 18 Jul]
Commentator's Article on DPRK Troop Reduction D 2
[RENMIN RIBAO OVERSEAS EDITION 25 Jul]

NEAR EAST & SOUTH ASIA

Roundup Discusses Latest Gulf Situation F 1
[RENMIN RIBAO 26 Jul]
News Analysis: Iran Avoiding Clashes With U.S. F 2
News Analysis on Gulf Situation After UN Resolution F 4
PRC, Iran Sign Sports Cooperation Accord F 5
Pakistan, USSR Sign Thermal Power Plant Accord F 5

NATIONAL AFFAIRS

'Major' Naval Exercise Planned for August K 1
[Hong Kong WEN WEI PO 25 Jul]
Pace of Reform To 'Develop Rapidly' in 87 K 1
[Hong Kong ZHONGGUO XINWEN SHE]
Minister Predicts New Period of Overall Reform K 2
[SHIJIE JINGJI DAOBAO 6 Jul]
Deng Said To Advise Son To Resign From Company K 3
[Hong Kong HONGKONG STANDARD 25 Jul]
Zhang Aiping Writes on Anniversary of Army K 4
[RENMIN RIBAO 24 Jul]
'Weekly Forum' Urges Theoretical, Propaganda Work K 9
[RENMIN RIBAO 20 Jul]
Students Encouraged To Join in Social Practice K 10
[Hong Kong ZHONGGUO XINWEN SHE]
Commentator Urges Solving Peasants' Problems K 11
[RENMIN RIBAO 16 Jul]

Commentator on Striking at Illegal Publications [GUANGMING RIBAO 13 Jul]	K 13
Editorial Stresses Caring for Intellectuals [GUANGMING RIBAO 18 Jul]	K 15
Symposium Studies Reform, Initial Socialism [GUANGMING RIBAO 14 Jul]	K 16
Commentator Discusses Symposium [GUANGMING RIBAO 14 Jul]	K 18
Deng Xiaoping Meets Scientists, Technicians	K 19
Li Peng Views Development of Power Industry	K 19
Li Peng Urges Efforts To Control Flooding [CHINA DAILY 24 Jul]	K 21

FOREIGN MINISTRY SPOKESMAN VIEWS GORBACHEV PLAN

OW250950 Beijing XINHUA in English 0944 GMT 25 Jul 87

[Text] Beijing, July 25 (XINHUA) -- Following is the full text of the answer by a spokesman of the Chinese Ministry of Foreign Affairs on July 24 to a question raised by correspondents:

Question: Recently, Soviet leader Gorbachev talked about the question of eliminating all the Soviet medium-range missiles deployed in Asia. What are China's comments on this?

Answer: We have taken note of the remarks made by Soviet leader Gorbachev indicating readiness to eliminate all the Soviet medium-range missiles deployed in Asia and the reaction of the U.S. side.

China has all along held that the security of Europe and that of Asia are equally important and that the medium-range missiles deployed by the United States and the Soviet Union in both Europe and Asia should be totally destroyed. We sincerely hope that the United States and the Soviet Union will reach an agreement to that effect through serious negotiations and put it into practice, and we welcome efforts in this regard.

SOVIET EDITOR IN CHIEF MEETS TIAN JIYUN

HK240144 Beijing LIAOWANG in Chinese No 28, 13 Jul 87 p 6

[Article by Yang Lu (2799 7627): "Korotich, Editor in Chief of Soviet Pictorial OGONYOK, and His Party Visit China"]

[Text] At the invitation of LIAOWANG weekly, Vitaly Korotich, editor in chief, and Dmitri Baltermants, photographer, of OGONYOK, a pictorial of the Soviet Union, paid a visit to China from 18 June to 3 July.

First published in 1923, OGONYOK is a comprehensive weekly on politics, society, literature, and art published in the Soviet Union. It has considerable influence among Soviet readers.

During their stay in China, Korotich and his party visited Beijing, Shenzhen, Guangzhou, Hangzhou, and Shanghai and took a great interest in our country's urban and rural reforms.

On the afternoon of 30 June, Vice Premier Tian Jiyun met Korotich and his party. At the request of the guests, Vice Premier Tian systematically briefed them on the progress and experience in China's economic structural reform, the achievements attained, and the problems faced. XINHUA's deputy director Zeng Jianhui and LIAOWANG's editor in chief Li Nai attended the meeting.

Before this, Vice Foreign Minister Qian Qichen had met with Korotich and his party and answered their questions.

The responsible persons of LIAOWANG also held a discussion meeting with Korotich and his party to brief each other on the conditions of their publications and to exchange experience.

VANDALISM OCCURS AT JAPANESE EMBASSY IN BEIJING

OW241203 Tokyo KYODO in English 1155 GMT 24 Jul 87

[Text] Beijing, July 24 KYODO -- A young Chinese man splashed a publicity display board at the Japanese Embassy here with red paint Friday and a Foreign Ministry official called the incident "extremely regrettable."

The man, described as a 24-year-old employee of the Beijing municipal water bureau, was arrested on the spot.

He reportedly arrived at the embassy by bicycle around 9:40 a.m. and broke three of 12 glass panes of the board by the entrance with a brick. He then splashed other panes with red paint in what was said to be the first act of vandalism directed against Japan since the two countries normalized diplomatic relations in 1972.

The man was quoted as telling Chinese authorities he took the action in retaliation for a Japanese act of vandalism in late June against a stone monument in Kyoto inscribed with a poem by the late Chinese Premier Zhou Enlai.

Yoshiki Mine, a counsellor at the Japanese Embassy in Beijing, called on Zhao Zhongxin, director of the Japanese Affairs Division of the Chinese Foreign Ministry, and asked for a probe into the incident and full measures for the maintenance of safety for the Japanese Embassy and its personnel.

Zhao reportedly told Mine that the incident should not have occurred and it would not help promote friendly relations between the two nations.

The Chinese Foreign Ministry repaired the damaged embassy display board.

Ministry Regrets Vandalism

OW241554 Beijing XINHUA in English 1543 GMT 24 Jul 87

[Text] Beijing, July 24 (XINHUA) -- A Chinese Foreign Ministry spokesman today expressed regret for an act of vandalism outside the Japanese Embassy here.

In response to some reporters' questions, the spokesman said that it has been learned that a young man broke the glass of an information display this morning and he has been detained for questioning, and that departments concerned are carrying out further investigations.

The broken showcase will be restored, the spokesman said.

ARTICLE SUPPORTS CHECKING JAPANESE RIGHTISTS

HK2307515 Beijing RENMIN RIBAO in Chinese 18 Jul 87 p 6

[Article by Chao Yang (2600 7122): "Trends Worth Vigilance"]

[Text] On the eve of the 50th anniversary of the "July 7" Incident, a stone table bearing the inscription of Premier Zhou Enlai's poem on the Arashiyama mountain in Kyoto, Japan, was damaged by a group of right-wingers, and this incident evoked great indignation among the Chinese people. [paragraph continues]

Shortly after that, in mid-July, a stone table indicating Japanese-Chinese friendship in Nagoya was also ruined by similar means by a group of people who called themselves "the spirit of the Kanto army." In addition, on 7 July, a group of right-wingers gathered outside the Chinese Embassy to violently shout anti-Chinese slogans and insult the Chinese flag. The occurrence of these incidents one after another shows that the spirit of militarism still exists in today's Japan, and a small number of fanatical diehards are always trying to revive the old dream of invading China. This state of affairs must not be taken lightly.

This year sees the 15th anniversary of the normalization of Sino-Japanese diplomatic relations and the 50th anniversary of the beginning of Japan's all-round War of Aggression Against China. At this time, a handful of Japanese right-wingers deliberately created trouble in an attempt to stir up an adverse current against China and to revive militarism. However, "the mountain cannot change the course of the torrent which is flowing eastward." Through the disastrous experience of the Japanese War of Aggression Against China, both the Chinese and Japanese people can now cherish today's friendly relations which did not come easily. The largest majority of Japanese people hate the flaw left in their nation's history by war of aggression launched by the militarists, and they will never allow a repetition of that historical experience. The mainstream of Sino-Japanese friendship can never be resisted.

After Premier Zhou's poem tablet on Arashiyama mountain was damaged, many Japanese people of insight and conscience strongly demanded that the Japanese Government rapidly investigate this case and severely punish the troublemakers. Japanese Prime Minister Nakasone also expressed "regret" for this and pointed out that this trouble was made by some "conscienceless people." Friendly people in all walks of life in Japan made statements in turn to strongly condemn this mean and despicable conduct and to require the Japanese Government to rapidly arrest the criminals. This fully shows that the attempt by a small handful of Japanese right-wingers to undermine Sino-Japanese friendship is very unpopular and isolated.

Although such actions to undermine Sino-Japanese friendship were only carried out by a very small number of people, they represent a very dangerous tendency. If we do not promptly expose and check them, and simply allow them to develop unchecked, the overall situation in friendly relations between China and Japan will be affected. Of course, the Chinese people also hope that the Japanese authorities concerned will take efficient action to seriously handle these cases and to prevent the occurrence of such cases which are harmful to Sino-Japanese friendship.

COMMENTATOR'S ARTICLE ON DPRK TROOP REDUCTION

HK250248 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 25 Jul 87 p 6

[Commentator's article: "Important Proposal for Easing the Situation on the Korean Peninsula"]

[Text] In a statement on 23 July, the DPRK Government put forward a new proposal to the United States and the South Korean authorities on reducing the military personnel of both North and South Korea on a large scale and by stages and the withdrawal of U.S. troops from South Korea. The new proposal called on both parties to reduce their troops in three stages between 1988 and 1991 and called for the corresponding withdrawal of the U.S. troops stationed in South Korea in three stages. The Korean Government proposed that, after the military strength of both parties was reduced to 100,000 troops, the United States should withdraw all its military forces, including the nuclear weapons, from South Korea and dismantled its military bases. [paragraph continues]

To achieve these objectives, the Korean Government called on North and South Korea and the United States to hold talks in Geneva in March 1988 on the questions of disarmament by both parties and troop withdrawal. To create a favorable atmosphere for the disarmament talks, the Korean Government also solemnly declared that North Korea would unilaterally reduce the size of its armed forces by 100,000 by the end of 1987.

This is a very concrete and rational proposal put forward by the Korean Government aiming to ease tensions on the Korean peninsula. It will help break the current deadlock on the Korean peninsula and is obviously of great significance to eliminating the serious military confrontation between the North and the South and improving the strained relations between Korea and the United States. At the same time, it also once again shows the sincere desire of the Korean Government and people to avoid the outbreak of another war on the Korean peninsula and to safeguard peace in Asia and the world.

Since the Korean war in the 1950's, U.S. troops have been stationed in South Korea and South Korea has consistently maintained massive armed forces and weaponry, thus forcing North Korea to strengthen its defense forces. This has aggravated the tensions of serious confrontation on the Korean peninsula. To promote the reconciliation of the Korean nation and create an environment of peace and reunification, the Workers Party of Korea and the DPRK government have put forward various propositions or proposals but they have failed to receive any positive and serious response from the United States and the South Korean authorities.

For a long time, on the pretext that the DPRK maintains massive military strength, the U.S. side and the South Korean authorities have refused to withdraw or reduce their troops. Now that the DPRK has put forward a clear-cut and authentic disarmament proposal and taken the initiative to voluntarily reduce its armed forces, do the United States and South Korean authorities still have any reasons to reject it? Moreover, since the beginning of this year, the Korean Government has repeatedly sent messages to the South Korean authorities, proposing the holding of high-level political and military talks between North and South Korea to turn the Korean peninsula into a nuclear-free and peace zone. It has also voluntarily adopted various measures, such as suspending military exercises and making further efforts to throw the forces of the people's army into the state economic construction. All this fully shows that the Korean Government has made sincere efforts for peace on the Korean peninsula. However, the United States and the South Korean authorities have answered the sincere proposals and actions of the DPRK side by holding a continuing series of large-scale military exercises and making a show of force, with the result that some dialogue and talks between the North and the South have been suspended.

To ease tensions on the Korean peninsula, remove the sharp confrontation between the North and South, and promote peace and reunification in Korea, it is crucial to reduce the massive military strength of both parties and to withdraw U.S. troops from South Korea. Now, the new proposal by the Korean Government has undoubtedly brought a new gleam of hope for the achievement of this objective. People will wait and see how the United States and the South Korean authorities will respond to this.

ROUNDUP DISCUSSES LATEST GULF SITUATION

HK260900 Beijing RENMIN RIBAO in Chinese 26 Jul 87 p 6

["Roundup" by Zhu Mengkui (2612 1125 7608): "The Gulf Situation Before and After the U.S. Escort Mission"]

[Text] In accordance with its original plan, the United States started to escort Kuwaiti tankers on 22 July. The tanker "Bridgeton", carrying the American flag, sailed through the Straits of Hormuz under U.S. escort but struck a mine 120 miles southeast of Kuwait. Although there were no injuries, this incident has added to the Gulf tension.

Although this U.S. escort mission did not come under Iranian missile attack, the safety of future escort missions can be no means be assured. According to the U.S.-Kuwaiti escort agreement, the United States will undertake escort missions for 11 Kuwaiti tankers carrying the American flag. These ships will be commanded and crewed by Americans and will also bear new names. Iran has strongly protested against the U.S. escort plan, holding that it is "external military provocation and offensive," and stating that Kuwaiti ships can hardly avoid being attacked, no matter what flag they are flying. After the escort mission started, Iranian Premier Khamene'i [title as printed] said in a speech on 22 July that "Iran will resolutely resist the Kuwaiti-U.S. action, and if we feel it necessary, we will strike at this unholy alliance." Before starting its escort mission, the United States issued numerous warnings that Iranian territory would be attacked if Iran attacks the escort fleet. As both sides are at daggers drawn, the Gulf tension has been screwed up another notch, and it seems that there could be an outbreak at any moment. The tension in the area has also been shown by the rapid and large build-up of military forces here. A few days ago, the United States dispatched 16 warships to the Gulf, of which 9 are responsible for escort duties, while another special mixed force of 7 ships, headed by the carrier "Constitution," is anchored in the Gulf of Oman, ready at all times to provide air cover if the escort force comes under attack. On 24 July, all U.S. bases around the Mediterranean were placed on full alert to guard against Iranian attacks. On the other hand, about 10 Soviet, British, and French warships of various types are trailing their coats in the Gulf. When the U.S. escort fleet sailed into the Gulf, it was shadowed by a Soviet vessel. For its part, Britain has stated that if Kuwait requests British escorts, the matter will be considered. France, which broke off diplomatic relations with Iran a few days ago, has decided to send more warships to the Gulf. The French Government has also announced that France will not remain indifferent if its ships are attacked in the Gulf. According to reports, Iranian Revolutionary Guards will hold war games in the Gulf at the beginning of August. They have also sworn to sink U.S. ships. According to another report, Iran has assembled a large number of specially-trained "suicide squads" along its coast. Kuwait recently declared for the first time that its land, sea, and air forces will strike back immediately if Kuwait is attacked. Around the time of the U.S. escort mission, a number of other Gulf states also reached limited agreement on military cooperation with the United States, and also provided the United States with certain military facilities. The continual increase in foreign military forces congesting the Gulf, together with other combat-readiness military activities, have turned the Gulf into a powderkeg that can explode at any moment.

As the war clouds gather over the Gulf, the open and hidden struggle between the United States and the Soviet Union have become still more intense. The Soviet Union, which has already leased three tankers to Kuwait, has declared that it has neither common policy nor common interests with the United States in the Gulf. [paragraph continues]

After the United States started to provide escorts for Kuwait, the Soviet Union denounced the escort action as a threat to overall international security. For its part, the United States said that it is essential to preserve its "leading position" in the Gulf, and the Soviet Union cannot be allowed to seize the change of the Gulf conflict to penetrate into the Gulf. U.S. Defense Secretary Weinberger has said that "We certainly cannot allow the Kremlin to do what it likes in this region." President Reagan stated still more explicitly that "We cannot allow the Gulf to fall under Soviet control." The United States' Western allies are worried that the military confrontation between the United States and Iran may afford a military and diplomatic opportunity for the Soviet Union.

The fundamental cause of the Gulf tension is the continuation and expansion of the Iran-Iraq war. During the continual escalation of the "war on ships" in the Gulf, the land war between Iran and Iraq continues without a break. On 20 July, the 15 members of the Security Council unanimously passed a resolution on ending the war, calling for an immediate cease-fire on both sides and a withdrawal of the two armies into their internationally-recognized boundaries; the dispute should be solved through negotiation. Iraq welcomed this and decided to abide by the resolution, but Iran for its part held that the resolution was "unfair." Iran has proposed that the two countries halt their attacks on the Gulf and that foreign warships should withdraw from the Gulf. However, Iraq has opposed this proposal, holding that the Gulf conflict should not be separated from the Iran-Iraq war, and that an all-round peace should be achieved. The great majority of Middle East countries support the Security Council resolution and have appealed to Iran and Iraq to stop the war immediately. UN Secretary General de Cuellar will shortly undertake mediation between Iran and Iraq, to get the two sides to cease fire and negotiate at an early date.

While there are serious differences between Iran and Iraq, and the Gulf conflict is continually intensifying, the quarters concerned should regard world peace as the most important thing and hold consultations on resolving the problem, to ensure that there will be no further deterioration of the Gulf situation. In particular, the two superpowers should not take advantage of contradictions between the Gulf states to create a tense atmosphere and pour oil on the flames of the Gulf. However, the fundamental way to eliminate external influence on Gulf affairs and bring about safety and freedom in international navigation in the Gulf lies in an early cessation of fighting between Iran and Iraq.

NEWS ANALYSIS: IRAN AVOIDING CLASHES WITH U.S.

OW260834 Beijing XINHUA in English 0716 GMT 26 Jul 87

["News Analysis: Iran Opposes U.S. Presence but Avoids Confrontation (by Xu Boyuan)"
-- XINHUA headline]

[Text] Tehran, July 26 (XINHUA) -- People who fear U.S. naval escorts of Kuwaiti tankers in the Persian Gulf might lead to a military confrontation between the U.S. and Iran may feel a little more relaxed as the two Kuwaiti tankers reached their destination Friday without a major challenge from Iran.

Iran did not carry out its threat to strike the convoy escorted by U.S. warships, and the U.S. task force also refrained from preemptively attacking Iran's missiles launching sites.

Iran, although opposing U.S. military build-up in the Gulf, is not ready to have a showdown with the U.S.

Threatening to turn the Gulf into a "graveyard" for U.S. warships and "tear down" the U.S. flag hoisted on Kuwaiti tankers, the Iranians are instead trying to deter U.S. warships from entering the Gulf through diplomatic channels.

Soon after the reflagged Kuwaiti tanker "Bridgeton" and "Gas Prince" passed safely through the strategic Strait of Hormuz under the protection of three U.S. warships Wednesday, Iranian Foreign Minister 'Ali Akbar Velayati sent a message to U.N. General Secretary Javier Perez de Cuellar, asking him to influence Washington to stop its military build-up in the Gulf.

The next day, Velayati flew to Bonn to inform Federal German leaders of Iran's stance on the Gulf situation. He reaffirmed that Iran would not fire on any ships in the Gulf if its ships are not attacked.

On Friday, Iranian parliament speaker Hashemi Rafsanjani announced a "new policy," warning that Iran will strike at the economic installations of Iraq's Gulf allies if its own installations are hit again by Iraq.

The official Islamic Republic News Agency quoted Rafsanjani, one of Iran's leader Ayatollah Khomeini's closest aides, that "This new policy is one of the outcomes of America's intervention in the Persian Gulf."

Iran's "new policy" could well be regarded as a less risky measure compared with direct confrontation with Washington by raiding Kuwaiti vessels under U.S. protection.

Iran may continue to mine the waterway leading to Kuwait. By such a move, Iran hopes to stave off direct confrontation with the U.S. and also block Kuwait's outlet.

Five vessels have hit underwater mines since May. The latest was the reflagged Kuwaiti tanker Bridgeton which hit an underwater mine Friday 190 kilometers off Kuwait.

Washington said the U.S. would not take retaliatory measures against Iran, which is believed to have mined the waterway.

Iran postponed a military exercise originally scheduled for Friday in the Gulf waters to next month following Wednesday's entrance of the U.S. convoy into the Persian Gulf. This might serve as another indicator of Iran's reluctance to have a war with the U.S.

Tehran's caution is understandable because a military outbreak will definitely cause greater losses to its oil exports through the Gulf, which make up some 90 percent of its total foreign exchange income.

Iran, locked in a seven-year-old war with Iraq, has to open a new frontline if it clashes with the U.S., a superpower which Tehran cannot take lightly.

In other developments, Iraqi air raids on Iranian tankers and oil installations have ceased since mid-July. The Kuwaiti daily "AL-WATAN" said Saturday Iraq would observe a month-long ceasefire in its war with Iran in response to the latest U.N. peace effort.

The U.N. Security Council adopted a resolution Monday calling for an immediate ceasefire in the Iran-Iraq war. The initiative was hailed by Iraq, but rejected by Iran which said it was "unfair" and "unacceptable" since it failed to identify Iraq as an "aggressor."

Iran favours an end to the attacks on Gulf shipping, but insists on continuing the land battle until Iraqi President Saddam Husayn is toppled. Iraq has rejected such a partial solution.

If Iraq really stops attacking Iranian ships, a lull may prevail in the troubled Gulf waters. But if the latest peace effort finally fails to bring Tehran to the negotiating table, Baghdad would likely resume the strike to choke off Iran's oil exports, the main financial source to support its war with Iraq.

The powder keg is still there. The fire of hostility and enmity has not yet been put out. Any deterioration of the situation would possibly spark off an explosion which would cause the people in the region more suffering and destruction.

NEWS ANALYSIS ON GULF SITUATION AFTER UN RESOLUTION

OW260907 Beijing XINHUA in English 0747 GMT 26 Jul 87

["News Analysis: Gulf Situation After U.N. Resolution (by You Baoliang)" -- XINHUA headline]

[Text] Beijing, July 26 (XINHUA) -- After the U.N. Security Council passed a resolution on July 20 ordering a ceasefire between Iran and Iraq, tension in the Persian Gulf still rises, with a U.S. naval escort of Kuwaiti tankers under the Stars and Stripes.

The resolution was initiated by the United States and supported by the Soviet Union. The U.S. and the Soviet Union both support the resolution, because although they both tried to gain advantage from the Gulf war, they fear the war will spread to other countries in the region thus threatening their interest. They want to end the war with no winner.

The United States is concerned that the Gulf war will endanger the oil transport of Western countries, that Iran will exert its power against the West, and that the Soviet Union will expand its influence in the region.

Since the Gulf is near the Soviet Union and Afghanistan, the Soviet Union is concerned over the danger that the Iran-Iraq war will affect the stability of its minority region and Afghanistan. Because of the needs of domestic reform, the Soviet Union wants stability in the Gulf region.

Iraq promptly welcomed the U.N. Security Council's resolution and said it would cooperate with the U.N. secretary general in implementing it. However, the Iranian Foreign Ministry criticized the resolution as "unjust" and "in no way responsive," according to the Iranian official news agency July 21.

Iran faces a deteriorating economy and is becoming more isolated. More and more Iranian leaders believe their country cannot win the war. The U.N. Security Council's resolution has brought even greater international pressure on Iran. But Iran's decision-makers will not sit down to negotiate a possible solution to the war in the near future.

The Gulf situation is deteriorating even though an end to the Iran-Iraq conflict is earnestly desired by many. On July 24, a Kuwaiti oil tanker escorted by the U.S. Navy struck a mine. The incident is being investigated by the United States. Pentagon sources said Saturday that President Ronald Reagan had instructed Secretary of Defense Caspar Weinberger to provide anti-mine protection to U.S. Gulf convoys.

The U.S. is considering sending minesweepers to the Gulf. The U.S. military presence is still a risk leading to hostile confrontation. The United States has sent 15 escort ships to the Gulf region to impose more pressure on Iran.

The Soviet Union says the U.S. action in the Gulf is dangerous and might develop the regional conflict into an international crisis. In a letter to President Reagan on July 21, Soviet leader Mikhail Gorbachev said he wants the U.S. and the Soviet Union to try to end the Gulf tension and the Iran-Iraq war. But the United States rejected the Soviet proposal, for fear that the Soviet Union would involve itself in Gulf affairs.

While the U.S. sent more Navy ships to the Gulf, the Soviet Union pretended to take a cautious and "fair" stance. But the Soviet Union has frequent contacts with Iran and Iraq and other countries in the region through diplomatic channels. While reaffirming its commitment to Iraq, the Soviet Union has also improved its relations with Iran somewhat. Both the Soviet Union and Iran criticize the American military presence in the Gulf, and they are also seeking cooperation in the oil industry.

Observers have taken note of a big contrast between the Soviet and the U.S. positions in Gulf affairs, with an advantage for the Soviet Union to increase its reconciliatory role. Because the conflict is mixed with contradicting superpower interests, the unstable situation in the Gulf will not calm down soon.

PRC, IRAN SIGN SPORTS COOPERATION ACCORD

OW241815 Beijing XINHUA in English 1809 GMT 24 Jul 87

[Text] Tehran, July 24 (XINHUA) -- A letter of understanding on cooperation between the sports organizations of China and Iran was signed here today.

The letter encouraged the exchange of visits of sportspeople and sports knowhow between the two sides.

PAKISTAN, USSR SIGN THERMAL POWER PLANT ACCORD

OW241036 Beijing XINHUA in English 1026 GMT 24 Jul 87

[Text] Islamabad, July 24 (XINHUA) -- Pakistan and the Soviet Union have signed an agreement for setting up jointly three thermal power plants worth 235 U.S. dollars [amount as received], according to official sources here today.

The agreement signed yesterday in Lahore, the second biggest city in Pakistan, is the first major agreement between the two countries since 1979. The three stations, one of which will be at Multan, southwest of Lahore, will generate an extra 600 mw of electricity.

These plants also form the linchpin of a program of the water and power development authority (WAPDA) to end load-shedding completely in 22 months by May 1, 1989.

In the annual development plan 1987-88, it is planned to add 200 mw of additional power. This would have meant 564,000 consumers. Also the village electrification plan would have reached an additional 4,971 villages.

In July, 1987, the installed capacity in Pakistan was 6,224 mw.

'MAJOR' NAVAL EXERCISE PLANNED FOR AUGUST

HK250728 Hong Kong WEN WEI PO in Chinese 25 Jul 87 p 2

[Dispatch: "Chinese Navy Sails From Qingdao for Major Exercise in East China Sea"]

[Text] Beijing, 24 Jul -- In early August, while marking the 60th anniversary of the building of the Chinese Army, the Chinese Navy will perform, using advanced equipment, a major exercise indicative of a great technological breakthrough. People call this exercise "a milestone in the history of Chinese naval training."

The exercise is scheduled for 5 August. The Navy [as published] will sail from Qingdao to a certain part of the East China Sea, where it will spend about 2 hours [as published] performing an exercise, using a "sea-borne laser-electronic training-simulation system." In 1985 and 1986, the Chinese Army and Air Force performed similar exercises. However, the equipment to be used by the Navy in the upcoming exercise is far more complicated and more advanced than that used by the Army and the Air Force. The entire laser-electronic system has been developed and built by China with the cooperation of the relevant units. There are now more than a dozen sets of them in China. Only three or four countries in the world possess similar simulation systems.

This system includes 9 electronic sub-systems. They are a surface-to-surface and surface-to-air fire control system, a surface-to-surface, surface-to-air, and air-to-surface missile attack system, a submarine attack system, a torpedo boat attack system, an antisubmarine system, a mine-laying and sweeping system, a bombing and bombardment system, an electronic warfare engagement system, and a transmission display control system. These systems are complemented with 10 other types of equipment, such as the "medium-caliber ship gun firing simulator," the "destroyer and escort missile attack electronic simulator," the "surface-to-submarine attack simulator" and at least 6 types of ordnance, such as blank shells, rockets, unarmed torpedos, mines, and so on.

This system can be used in both single-service tactical training and joint-service combat exercises. It is normally used in large-scale naval movements and operations. After the Navy opens fire in an "area of operation," all the attack results will be assessed by laser and displayed on electronic computers and simulators. Given this system, many problems encountered in past combat exercises can be solved and exercises will become much less expensive. This system can significantly augment the Navy's combat strength.

PACE OF REFORM TO 'DEVELOP RAPIDLY' IN 87

HK260328 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0853 GMT 25 Jul 87

[Text] Beijing, 25 Jul (ZHONGGUO XINWEN SHE) -- The forthcoming 30th issue of LIAOWANG weekly says that the trend of China's reform will develop rapidly in the latter half of this year. In addition, reform will enter a new stage of all-round development following the 13th CPC National Congress.

The general ideological line for China's reform in 1987 and 1988 can be summed up as follows: To deepen the reform of the economic structure, introduce political structural reform, and accelerate the pace of reform as a whole.

China's reform can be divided into the following three stages: First, the period from the 3d Plenary Session of the 11th CPC Central Committee to the 3d Plenary Session of the 12th CPC Central Committee, which focused on the contract responsibility system, with payment linked to output in rural areas; second, the period from the 3d Plenary Session of the 12th CPC Central Committee to the upcoming 13th CPC National Congress, which shifted the focus to urban areas and to invigoration of enterprises, particularly large and medium size enterprises; and third, the period following the 13th CPC National Congress, which will further deepen economic structural reform and develop political structural reform in an all-round way.

Viewed from the trend of current development, the general ideological line for economic structural reform in 1987 and 1988 is quite clear: Enterprise reform will be further deepened, the stress will be put on reform of the investment set up, comprehensive management will be further improved and strengthened, the relations between the state and enterprises and between the central and local authorities will be gradually harmonized, and reform will advance by stages in a coordinated and step-by-step way rather than in a drastic manner.

China will continue to conduct experiments in reform. New progress will be made in experiments in selling houses on a commercial basis, introducing structural reform of medium-size cities, turning special banks into enterprises, and establishing labor markets.

MINISTER PREDICTS NEW PERIOD OF OVERALL REFORM

HK240224 Shanghai SHIJIE JINGJI DAOBAO in Chinese 6 Jul 87 p 1

[Special dispatch from Changsha: "Li Tieying Predicts That China Will Enter a New Period of Overall Reform"]

[Text] Over 100 backbone workers engaged in research on reform and in practical work from various localities of China expressed full confidence in prospects for reforms at the annual meeting of the China Society for Study of Restructuring the Economic System that ended last Saturday.

The speech by Li Tieying, new minister of the State Commission for Restructuring the Economic System, has fully reflected this. He said that it can be predicted that after the 13th CPC National Congress, China will enter a new period of overall reforms of the political, economic, scientific, technological, and educational structure.

Li Tieying's judgment on the prospects for reforms can also be seen from his appraisal of the annual meeting. He said that the current annual meeting is held at a time when great achievements have been made in reforming the economic structure in the past 8 years and shortly before the upcoming 13th CPC National Congress which will take reform as its main theme. The time of the annual meeting is well chosen, its contents are rich, and our prospects are bright.

The annual meeting was held here from 29 June to 3 July. The representatives recalled the reforms carried out in the past 8 years and on this basis, had heated discussions on plans and difficulties of further reforms. While the meeting was in session, they paid a visit to the former homes of late party and state leaders Mao Zedong, Liu Shaoqi, and Peng Dehuai.

DENG SAID TO ADVISE SON TO RESIGN FROM COMPANY

HK250438 Hong Kong HONGKONG STANDARD in English 25 Jul p 1

["Exclusive" by Tammy Tam and David Wong of China Desk]

[Text] China's supreme leader, Mr Deng Xiaoping, has advised his son, Pufang, to resign as chairman of a company he set up because it conflicts with his role of overseeing the welfare of the disabled.

The resignation will set an important example to other party cadres in "delineating the power between the administration and enterprise", which has been one of the gray areas exploited by many officials for personal gain.

THE STANDARD understands that Mr Peng Pufang will take his father's advice and resign from the chairmanship of Kang Hua Industrial Company, which he founded in 1984 to raise money to help the handicapped.

Mr Deng Pufang, who is also the director of the China Welfare Fund for the Disabled, is disabled himself. He was paralysed when he was forced to leap from a building to avoid being purged by the Red Guards.

The welfare fund was set up in 1984, the International Year of the Disabled, after the State Council gave its approval.

The fund was well received throughout the country and many state-owned enterprises and factories took the initiative to give money.

But a new twist emerged later in the year when a taxation system was introduced. State enterprises then became reluctant to continue to donate, which dramatically changed the picture.

Before the taxes were introduced, state enterprises had to surrender all their profits. Donations of part of their profits to welfare agencies were preferred because this helped promote their image.

But they have become reluctant to do so because they can now keep their profits for staff bonuses and reinvestment.

So Mr Deng Pufang decided to set up a business in order to generate the necessary revenue, sources said.

The result was Kang Hua Industrial Company which expanded into areas such as import and export trading, real estate, tourism and finance.

Its privileged status allowed it to develop within a couple of years into a principal financial pillar of the China Welfare Fund for the Disabled.

Kang Hua is said to be the only collectively-owned company in China with the right to handle imports and exports on its own. This is a right restricted to only a few government trading departments.

"It will be unrealistic to ignore the fact that the enterprise enjoys such privileges because of Deng Pufang's connections," a source close to him said.

"But it must be emphasised that Pufang has exhausted his mind and heart in setting up Kang Hua and the revenue generated is not for his personal gain -- only for the underprivileged."

It is understood that Mr Deng Pufang will now channel his energy into setting up an All China Association for the Disabled by merging all the major welfare agencies.

This will mean combining the China Welfare Fund for the Disabled with the China Deaf and Blind Association and China Sports Association of the Disabled.

ZHANG AIPING WRITES ON ANNIVERSARY OF ARMY

HK241340 Beijing RENMIN RIBAO in Chinese 24 Jul 87 pp 10 4

[Article by Zhang Aiping (1728 1947 1627): "Strengthen Modernization of the Army -- In Commemoration of the 60th Anniversary of the Founding of the Chinese People's Liberation Army"]

[Text] Sixty years have passed since the founding of the PLA under the leadership of the CPC.

After its founding in 1927 during the Nanchang Uprising, the PLA, which closely united with the masses of people, finally conquered extreme hardships and difficulties, defeated its powerful enemies both at home and from abroad, and seized state power through 22 years of armed struggle. In the following 33 years after the founding of the state, it defeated the aggression of imperialists, hegemonists, and expansionists in the sacred cause of reunifying and defending the motherland, making due contributions to safeguarding the independence and safety of the motherland and preserving world peace. With serving the people as its purpose, our Army has developed its glorious traditions, taken an active part in socialist construction, and made new contributions to the people in the struggles to fight natural disasters and to protect the life and property of the people.

The 60 years is a brilliant historical course. Practice proves that the PLA is a new type of revolutionary army, which is brave and skillful in battle, has flesh-and-blood ties with the masses, and is loyal to the party, the motherland, and the people. This Army forms an iron great wall for the national defense of our motherland. It is a reliable guarantee for our socialist four modernizations.

The 60 years is a historical course in which the PLA has been continuously growing and developing and has been advancing toward modernization.

In the initial stage when our Army was just founded, our weaponry and equipment were all rather outdated. We were armed entirely with weapons seized from the enemy in battle. That is why we often said ironically that Chiang Kai-shek was head of our transport team. During the War of Resistance Against Japan, we captured Japanese weapons, and during the War of Liberation, we got U.S. arms. Most of our weapons were improved with the improvement of the enemy's weapons and renewed when the enemy renewed theirs. Thus, we were able to maintain basically the same level with the enemy in this respect. [paragraph continues]

At that time, we did not have modern industries to support the modernization drive of our Army. We could only obtain modern weapons from the enemy through heroic fighting. However, even in those difficult years, we did not slacken our efforts to promote our modernization drive. It was in those war-ridden years that our Army grew from a unitary infantry establishment to a combined ground force and from being capable of fighting guerrilla wars to being capable of fighting regular wars. In the last period of the Liberation War, it became capable of storming heavily fortified positions and was able to make large unit offensives to wipe out 400,000 to 500,000 enemy soldiers in at one fell swoop.

After the founding of New China, our Army's modernization drive entered a new stage. Our ground force became more powerful, and our Navy, Air Force, and strategic rocket army were developed one after another. Thus, our Army gradually became a combined arms unit with various arms of service. Through large-scale and regular training and by promulgating all kinds of decrees and regulations, the combat ability of the whole Army was continuously increasing. A national defense science and technological system and a military industrial production system were established in our country. Under the guidance of the correct policy decisions of Mao Zedong, Zhou Enlai, and other revolutionaries of the older generation, we lost no time in organizing relevant forces of our country to tackle difficult scientific and technological problems. Through our own efforts, we basically realized the transition from conventional weapons to most advanced weapons and from arming the ground force, the Navy, and the Air Force with ordinary weapons to arming them with strategic nuclear guided missiles.

Particularly, the successful launching of the "two bombs and satellite" made our country one of the five in the world that had mastered nuclear and space technologies. This further strengthened our ability to curb war and played a very important role in raising China's international position, in ensuring the safety of our country, and in safeguarding world peace. It enabled our Army to make a significant advance toward modernization.

Unfortunately, the 10 years of internal disorder brought about great damages to our Army's modernization drive, not only making it unable to advance but also expanding the gap between China and the developed countries in this respect.

Since the 3d Plenary Session of the CPC Central Committee, under the guidance of the correct line of the central authorities, a great deal of work has been done to set to right things that have been thrown into disorder in the field of the Army's modernization. Emphasis has been laid on the consolidations of the Army and the national defense science and technological industry. The 1985 enlarged meeting of the Central Military Commission decided to make a strategic change in the guiding ideology for Army building, to reduce the Army by 1 million, to establish mechanized group armies, and to change the armies of the ground force into group enemies. It emphasized again the placing of education and training in a more important strategic position and laying stress on the development of national defense science and technology and weaponry. It urged strengthening the study of the development of military sciences and national defense strategies so that we can work out medium and long-term plans for our national defense construction and so that our Army's modernization drive can develop on a healthy track.

Our army has made great achievements in its modernization drive. However, at present, the main contradiction in our Army building is still the contradiction between the objective demand of modern warfare and the comparatively low modernization level of our Army. Warfare in the future will be one in which battles are fought simultaneously on ground and space and on land, sea, and deep water. [paragraph continues]

In such battles, there will be more and more high-tech arms and microelectronic, accurate, and precise guidance, space aviation, lasers, infrared rays, invisibility, and other advanced technologies as well as automatic communications, command, and reconnaissance and information systems will be widely used. Although compared with the past, the modernization level of our Army has greatly increased, compared with other advanced countries, we have still fallen far behind. We must look this reality in the face and must strengthen modernization of our Army step by step and in a planned way so that our Army's weapons and equipment can gradually catch up with the world's advanced level so that our Army can always hold an invincible position whether in conventional wars, nuclear wars, or wars using high-tech weapons.

Far from being very stable, the relatively peaceful situation in the current world is fraught with the smell of gunpowder, given the contention of relative balance of forces between the Soviet Union and United States. Although it is possible to avoid a world war, the danger still exists and partial wars still constantly break out. There are still many factors that make our peripheral environment insecure. Our territorial integrity and territorial sea are subject to threats and are violated by Vietnamese regional hegemonism. Under such circumstances, we should not, as some people have said, hold that we are now "in a peaceful environment of 'not being invaded by hostile countries,'" enjoying "piping times of peace," and that we can seemingly "put the weapons back in the arsenal and graze the war horses on the hillside." This pacifist trend of thought in the new situation is not only out of keeping with the practical conditions but also harmful to the state construction and Army building. As the old Chinese sayings go, "Be prepared for danger in times of peace" and "Where there is precaution, there is no danger." It is even more necessary for us to "be prepared for danger" and take "precaution" because we do not genuinely live in "times of peace" or in "no danger."

It should be pointed out that, in the 100 years or so before the founding of New China, our country was a semi-colony without national defense. It was subject to the brutal aggression of Japanese militarism and was on the brink of extinction. Only after the founding of socialist New China did we have genuine national defense. The Army assumes the tasks of defending state security and construction, and the modernization of the Army is a prerequisite for the fulfillment of these tasks. Only when we have a powerful, modernized army can we effectively stop wars, ensure smooth progress of the state economic construction in a relatively peaceful situation, resist enemy intrusions, and safeguard the independence of the motherland and the security of the people.

The modernization of national defense (including the armed forces) is a manifestation of the state's comprehensive strength. The origin of violence is economic strength, and economic modernization serves as the basis of the modernization of national defense. Without a powerful, modernized economy it will be impossible to have a powerful national defense and a modernized army. Therefore, the modernization of national defense should be subordinated to the overall situation of the state economic construction and suited to the development of the state economic construction. A prosperous people and a prosperous state are not tantamount to a powerful state; a prosperous state cannot be substituted for a powerful state. There are some fairly prosperous states in the world but they cannot be regarded as powerful states. A prosperous people and a prosperous state only create conditions for a powerful state. It still takes a great deal of effort, hard work, and time to turn a prosperous people and a prosperous state into a powerful state. By listing the modernization of national defense as one of the four modernizations, our country has appropriately handled the relationship between a prosperous state and a powerful state. [paragraph continues]

None of the four modernizations can be dispensed with. While concentrating our efforts on the development of national economy, we should strengthen the modernization of the national defense and the army with the right amount of human, financial, and material resources and dialectically unify the development relationship between them. After the founding of the PRC, we invested in national defense science, technology, and industry and developed the weaponry.

At that time, by organizing our efforts in a unified way, coordinating with one another, and going all out to tackle key problems, the country succeeded in solving many difficult problems and achieved marked results. This not only ensured the victories of the wars to defend the country after the founding of PRC and enhanced our international prestige, but also stimulated, to a large extent, the development of science and technology, such as new materials, techniques, and technologies. In recent years, the transfer of national defense science and technology, including sophisticated and regular technologies, to civilian use has played a great, promoting role to the development of national economic construction. During the Sixth 5-Year Plan, we won over 300 awards for inventions for defense purposes, about 500 state-class awards for scientific and technological progress, and 11 state awards for natural sciences. Meanwhile we also developed the production of goods for civilian use. The value of nuclear, aviation, astronautic, arms, electronics, shipping, and other goods for civilian use accounted for over 50 percent of our output value, and the export volume of military supplies rose year after year. We have made contributions in earning foreign exchange for the state. Moreover, by developing national defense science and technology, the Armed Forces, and the national defense science and technology industry we have also constantly delivered various skilled personnel to the localities. In the past, some people held that we impoverished the state by developing sophisticated science and technology for national defense, nuclear missiles, and astronautic technology in the early period of the People's Republic. This is preposterous. Given the enemy's nuclear blackmail and blockade and embargo against our country, we developed guided missiles, nuclear weapons, and man-made satellites independently and with the initiative in our hands. As a result, the enemy not only dared not look down upon us and act rashly but this also enhanced our international status. We have attained these glorious results because the CPC Central Committee and the revolutionaries of the older generation showed great foresight and lost no time in making wise policy decisions of great strategic significance and because the national defense industrial front and other fronts throughout the country fought bravely and tenaciously and worked in close coordination.

The modernization of our Army must fit in with national conditions peculiar to China and the fine traditions of our Army and follow a road of independence, self-reliance, unity and cooperation, hard struggle, and building of the Army in an industrious and thrifty way. From strategist Sun Zi's art of war to Mao Zedong's military thinking, we have inherited national military strategies, accumulated a wealth of combat experiences in actual war, and formed a whole set of strategies and tactics. These represent wealth unique to our Army. On this basis and with an eye to various new conditions liable to appear in future wars, we must combine the various geographical and meteorological features of the rolling land of our country with the creative development of our own strategies, ways of fighting, and tactics. We must continue developing our Army's special skills, give full play to superior features in the political field and man's conscious and spontaneous role, and use poor equipment to defeat an enemy with better equipment and our strong points to match the weak ones of the enemy. In the new historical period, our Army's modernization effort must still take self as the center and also pay attention to absorbing advanced foreign technology. [paragraph continues]

An energetic effort must be made in strengthening our own research and manufacturing work and perfecting our country's system, so that it can have advanced and perfect national defense technologies and industries. Modernization is not what can be bought with money. Nor can we crawl behind others. Still less can we become "semi-colonies" dependent on others scientifically, technically, and economically.

The modernization of national defense science and technology and arms and equipment represents an important material basis and an important indicator of national defense and Army modernization. The modernization of national defense science and technology and arms and equipment chiefly calls for an effort to gradually narrow the gap with advanced world levels and to lay a good foundation for further development at the end of this century and in the early part of the next century. We should continue implementing the guideline of "shortening the war front, paying attention to priorities, vigorously working on scientific research, and speeding up the process of upgrading." We should follow the principle calling for "standardization, serialization, generalization, and adherence to given specifications." We should pay more attention to scientific research than to production, strengthen experimental and testing work, and continuously raise the level of new technology, laying a firm foundation for the future defense of the motherland.

Practicing a policy of streamlined administration with better forces is a road that must be followed in the modernization of the Army in times of peace. Our country's task of reducing the number of troops by 1 million has been basically accomplished. The country that concentrates forces on developing the national economy in the new era cannot possibly have much money for keeping forces. The practice of simpler administration with better forces helps the state in pushing economic construction forward. The state is also enabled to gradually develop within its means national defense science and technology and industry, to continue upgrading arms and equipment, and to gradually narrow the gap with advanced world levels. Meanwhile, the buildup of the Army is strengthened. The quality of the Army is raised where military administration is concerned. Proficiency is gained in strategy and tactics where modern warfare is concerned. We must especially reform and strengthen the building of military academies and strive to train skilled personnel of various kinds to meet the needs of future wars. We must reform and perfect the cadre system and select cadres who are technically proficient, politically advanced, young, capable, well acquainted with the duties of their jobs, and who discharge their duties efficiently to take up leadership work of various kinds.

Simultaneously with the streamlining of administration with better forces, we must establish and perfect the state's system of mobilization. Apart from reserve forces, important factors are the state's industry, communications and transportation, medical treatment and sanitation, urban construction, and so forth. In the matter of construction in ordinary times, we should consider how to serve the business of war, so that we can make a relatively smooth switchover to a wartime system in case of an invasion.

Military academic research is the pacesetter in the modernization of the Army and plays the role of a "leader." In military academic research at present, we must pay attention to forecasting future wars and studying the trend in the development of a global war or a local war and relevant new strategies, battles, and principles of fighting. We must seriously study various major problems in the national defense modernization effort of our country, provide scientific proof, and properly formulate middle- and long-term plans, so that the national defense modernization effort can involve less of a detour, less spending, more work results, and improved overall results. [paragraph continues]

Apart from military academic departments, leadership cadres at various levels must pay attention to military academic research and organize more skilled personnel with a rich store of knowledge to take up such work. Only by giving full play to military academic democracy, creating the new boldly and making explorations in a penetrating way can there be new discoveries, new inventions, and progress.

The course we have followed is difficult and glorious. The future we face is great and brilliant. We are confident that our Army, bravely pressing forward on the road of modernization, will surely assume the weighty mission of safeguarding the motherland still better and become an important protective wall for the state and the people.

'WEEKLY FORUM' URGES THEORETICAL, PROPAGANDA WORK

HK241440 Beijing RENMIN RIBAO in Chinese 20 Jul 87 p 1

["Weekly forum" by Chen Xiaochuan (7115 1420 1557): "A Fresh Breeze in the Theoretical Circles"]

[Text] Since the beginning of this summer, there has been a fresh breeze in the theoretical circles, making people feel much refreshed. This breeze is represented by the dialogue between some young and middle-aged theoretical workers in the Chinese Institute of Reform of the Economic Structure and some university students in the capital. The dialogue, which is closely linked with the reality and has a definite object in view, uses Marxist theories to analyze and answer a series of practical questions facing the current reform and opening up, such as the question of opposing "leftist" and rightist mistakes, the question of the expanding disparity between individuals regarding personal income, and the question of theories on reform falling behind the reality. Therefore, it is quite convincing. (The dialogue was carried by RENMIN RIBAO on 4 and 5 June.) Both in content and in style, it has overcome the bad style of stereotyped writings and being divorced from reality. Like some other good articles recently published by newspapers, it is a very good article closely combining Marxist theory with the practice of current reform and opening up. It is highly appreciated by the readers.

The reform of the economic structure now underway in our country and the reform of the political structure, which has been placed on the agenda, are great events for 1 billion Chinese people. This is an unprecedented profound revolution and will naturally encounter many new problems and contradictions. The broad masses of people, who have thrown themselves into the reform and are showing concern for the reform, will naturally raise all kinds of questions and show doubts about the reform. These are new subjects for the theoretical workers to study carefully. The primary task for the theoretical workers is to use Marxist theory to study and answer these questions. This is a historical mission for them. Every theoretical worker who has a sense of historical responsibility cannot evade this historical mission and cannot be divorced from the reality of reform when writing articles.

It is not easy to make our theoretical propaganda convincing and penetrate deeply into the minds of the people. No need for reticence -- at present, some articles written by people in the theoretical circles often commit the mistake of having no definite objective in mind. Some of them even expound on some basic principles in an isolated and static manner, disregarding the reality of reform and opening up. Their articles, although some thousands of characters long, are entirely unrealistic. How can such articles be convincing and penetrate deeply into the people's minds? There are also some articles that contain nothing new. It seems that the writers have not experienced the 8 years of reform. Their style and train of thought, even the phrases they use, were all used more than 10 years ago, and some are even phrases used during the "Cultural Revolution" that have long been discarded. Their articles seem to be written by people living in another world who know nothing about current developments. They are really harmful, rather than helpful, to the cause of reform and opening up.,

Whether our theoretical propaganda can penetrate deeply into the people's minds has little to do with the readers. If an article is written in an old style, it certainly cannot attract the readers. We cannot criticize the masses for not following our propaganda or even criticize the young people for "refusing to learn." The key lies in whether our theoretical and propaganda workers have answered the questions raised by the masses, that is, whether they have answered the questions raised by the masses, that is, whether they have used Marxist theory to explain one or two concrete problems. The dialogue between young and middle-aged theoretical workers and university students is highly appreciated by the masses. This is a good example to show that provided theoretical workers closely integrate their articles with the practice of reform and opening up and substitute a style that is clear, simple, and treats others as equals for the bad style of turning simple things into mysteries and randomly putting labels on others, they can certainly make their propaganda penetrate deeply into the people's minds.

Marxism is a science full of vigor and vitality. All promising theoretical workers should concentrate their energy and talent on the study of the theories for reform and opening up. They must break with old, static, and rigid viewpoints, further emancipate their minds, make bold explorations, and make great efforts to answer a series of theoretical and practical questions raised in the course of reform and opening up.

STUDENTS ENCOURAGED TO JOIN IN SOCIAL PRACTICE

HK241549 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0217 GMT 20 Jul 87

[Roundup by reporter Wei Xiang (0251 5046)]

[Text] Beijing, 20 Jul (ZHONGGUO XINWEN SHE) -- Summer holidays have begun. Over 1 million college students are using this holiday to participate in different forms of social practice. Over half of the 1.88 million current college students are participating in social practice activities this summer holiday, the highest figure ever recorded.

They are conducting social investigation on special topics, using their knowledge to offer consultant services, or going to poor areas to help local peasants prosper in order to show their zeal and concern for the society.

This summer there are a total of over 17,600 college students participating in social practice activities from the four famous universities in Beijing: Beijing University, Qinghua University, Beijing Teachers' University, and Chinese People's University (Beijing).

A cadre of the CYL committee of the Teachers' University said that there was a quota of participants and they had to persuade some students to give up the social practice activities.

The Jilin Provincial Federation of Student Unions has organized more than 10,000 postgraduates and undergraduates from 29 universities and colleges by dividing them into 100 teams and assigned them to 10 poor areas to help the peasants prosper. More than 10,000 students from over 40 universities and colleges in Sichuan have gone to 46 poor counties.

The combination of education with productive labor and student participation in social practice is China's constant educational policy. In the "10-year catastrophe," the importance of this policy was extremely exaggerated and this gave rise to a large-scale movement of "sending educated youths to the countryside" and requiring them to learn about "industrial and agricultural production." This deviation was not corrected until the end of the "Cultural Revolution."

Students have concentrated on studies in recent years and they have less time for practical contact with society. New problems have thus emerged. Some students are enthusiastic about the reform but lack practical knowledge and understanding of the difficulties involved in the reform, and became anxious and impatient. It is generally believed that the student unrest in some universities last year to a certain degree had something to do with this.

Before this summer holiday, both the authorities concerned and universities encouraged students to participate in social practice activities. This shows that China has carried out certain readjustments in educational policy following the student unrest; but this readjustment will not lead to the ultra-left old road followed during the "Cultural Revolution."

A person from the national Federation of Student Unions said that encouraging college students to investigate poor areas can make them aware of the unbalanced development of the country and realize that reform is a very complicated matter.

A Fudan University female student who participated in the social practice last year told the reporter: "Going to the poor areas is not for the sake of being reformed but to reap the benefit of intellectual development." In fact, some government and common people of the poor areas treat these college students as "scientific and technological gods."

Encouraging students to participate in social practice during summer holidays will continue on a long-term basis. According to official sources students' participation in social practice enables them to have more contact with people and a better understanding of society. This is a method we constantly promote.

COMMENTATOR URGES SOLVING PEASANTS' PROBLEMS

HK240605 Beijing RENMIN RIBAO in Chinese 16 Jul 87 p 1

[Commentator's article: "Have Dialogues With and Speak for the Peasants"]

[Text] This paper has begun publishing a new column, entitled "Voice of the Peasants," on page 2 today. It carries letters from peasants and peasant cadres and reflects the peasants' joys, sorrows, and demands. [paragraph continues]

The aim of the newspaper in establishing this new column is to open up another channel for peasants to hold dialogues with the party, government, and society.

How should we approach the peasants? Supposedly, this does not present a problem. Nobody who holds a leading position or works in a professional department will deny the fundamental aim of serving the peasants. Nevertheless, words are not tantamount to action. Recent events show that the number of people speaking for the peasants has dropped and so has the number of people genuinely working for the peasants, and there have been repeated incidences of looking down upon, obstructing, eating at the expense of, and cheating the peasants. The leaders in some localities and departments have adopted an attitude of looking down upon the development of rural areas and agriculture and the immediate interests of the peasants. They turn a blind eye to and remain indifferent to encroachments on the peasants' interests that have taken place in some localities, such as the widespread increase in grain quotas that the peasants are required to deliver to the state, the widespread reduction of quotas of chemical fertilizers and diesel oil supplied to the peasants, and the continual setting of irrational quotas. They even ignore illegal acts.

Some rural cadres at the grass-roots levels and some government functionaries who come into frequent contact with the peasants treat them rudely. They demonstrate inflexible attitudes, resort to coercion and domination at every turn, and punish peasants indiscriminately. They even take advantage of their position and power to bully the peasants. Some management and service departments forget their own duties. They lose sight of the peasants' interests in their attempts to better themselves and profit from their positions. They even turn the power they serve into an instrument to extort, and they make things difficult for the peasants and profit at their expense. What is more, in attempting to seek private gains for certain departments and individuals, some people disregard party discipline and state laws. They directly harm agricultural production by engaging in such activities as making and selling false or poor-quality chemical fertilizers and insecticides and selling seeds of poor quality. A glaring example is the case of selling seeds of poor quality that was recently uncovered and dealt with in Henan.

The above-mentioned manifestations have different forms, but in the last analysis, these people have reversed the positions between themselves and the peasants; the public servants have made themselves into masters.

The peasant question is China's greatest problem. During the more than 2 decades before the 5d Plenary Session of the 11th CPC Central Committee, the development of the rural areas and the interests of the peasants were overlooked for a time. There was a tendency to look down on rural areas and agriculture, and cities were developed at the expense of the rural areas. In the rural areas, the peasants had no decisionmaking power, and their enthusiasm for production was seriously stifled. For this reason, the rural economy developed so slowly that it hindered the national economy as a whole. Historical experience tells us that the rural areas and agriculture should not be overlooked, nor should the peasants be offended. If the rural areas do not prosper, the state does not prosper; if the peasants find the going tough, so does the state. This is because China's most basic national condition is that 80 percent of its 1 billion people are peasants!

In recent years, under the impetus of the reform, the rural economy has developed rapidly. But because of its low starting point and poor foundation, the rural areas, are still backward. [paragraph continues]

If this state of affairs does not change, it will be impossible to achieve relative prosperity and the four modernizations. We must have a sober understanding of this.

The overall situation of reform and opening up and the major program of four modernizations call for a correct attitude toward the peasants on our parts. Leaders at all levels and the relevant departments should frequently and conscientiously examine the following questions: Are they putting themselves in a correct relationship to the peasants? Are they genuinely fostering the idea of serving the peasants? How much practical work have they actually done for the peasants? Have they done any bad things such as eating at the expense of or cheating the peasants? If they have, have they seriously dealt with these problems? They should also make constant efforts to understand the peasants' feelings and demands. Only when they make their ideas clear and become well acquainted with the peasants' feelings will it be possible for them to put these ideas into action and conscientiously do what should be done. If they do this, they will be neither dilatory nor softhearted in dealing with cases of cheating the peasants.

Finding no place to vent their grievances, the peasants in some localities feel injured and resentful. Leaders at all levels should go frequently to the grass-roots levels and adopt numerous methods to open direct dialogues with the peasant brothers and listen to their voice. If there are problems which require self-criticism, explanations, or appeals, they should be solved. They should conscientiously help the peasants solve problems. This will unclog the channel linking the peasants with the party, government, and relevant quarters and provide rural reform and development with a more reliable guarantee.

COMMENTATOR ON STRIKING AT ILLEGAL PUBLICATIONS

HK260801 Beijing GUANGMING RIBAO in Chinese 13 Jul 87 p 1

[Commentator's article: "Take Practical Measures To Strike at Illegal Publication Activities"]

[Text] The arbitrary compiling and printing of books and journals and duplicating of harmful audio and video tapes have been serious and illegal publication activities have been rampant since the second half of 1984. Their contents range from vulgar "inside stories" and "unauthorized history" of low taste to martial arts, as well as murder and rape "cases," and now extend to porn literature, audio and video tapes. First these publications were stealthily printed in the form of "white paper" with no names of publishing units, registered numbers, or marked prices; then they openly pirated or assumed the names of some established publishing houses and forged registered numbers for those publications. Regarding their forms of activities, they have shaped into cliques and underground networks, collaborating in printing, duplicating, and marketing; the publications flow from the cities to the countryside, with their distribution and marketing done in secret. These illegal publications (including illegal audio and video tapes) are not only foul and contain articles in bad taste printed in inferior quality, but command a very high price in the market. They are extremely harmful to the readers, teenagers in particular. Given these conditions, relevant departments in various localities did a lot of work, uncovered and confiscated a large number of illegal publications, and handled a few major cases; as a result, illegal publication activities ebbed somewhat for a while in some localities. However, illegal publications have spread again lately, and are on the rise. [paragraph continues]

Illegal publications have become a kind of "environmental pollution," which has gravely affected the progress of the building of socialist spiritual civilization, and roused strong complaints among the masses. Therefore, it is necessary to adopt down-to-earth measures to strike at illegal publication activities resolutely and appropriately, in accordance with the spirit of the State Council circular on severely striking at illegal publication activities.

To strike at illegal publication activities, it is necessary to unify our planning and fight in coordination. Illegal publication activities involve a very wide scope, with the north and the south of the nation linked. The investigation and handling of such cases in the past were often confined to a single locality or a city, and it was very difficult to bring them under permanent control. Only when all provinces, municipalities, and autonomous regions take unanimous action, with the mutual cooperation of all departments concerned -- including news and publications, radio, television, and cinema, industry and commerce, culture, public security, transportation and communications -- will it be possible to totally ban illegal publication activities nationwide.

In striking at illegal publication activities, it is necessary to keep printing, the most important link, under control. At present, there are more than 25,000 printing houses in the country; but effective supervision and administration were lacking in the past. Many of the small printing houses at and below county level in particular have become the sources of production of illegal publications; failure in their control will lead to failure in controlling illegal publications. In striking at illegal publication activities, it is necessary to earnestly straighten out the printing houses, to make complete and perfect the proceedings of contract printing, and to augment control in a down-to-earth way, with constant examination and supervision. Those printing houses that accept the printing of illegal publications must be strictly investigated and dealt with. Those units undertaking the duplication of audio and video tapes without the sanction of the state organs in charge of such products must be banned without exception.

To strike at illegal publication activities, it is necessary to further straighten out the book market. With the structural reform of book distribution in recent years, the rapid development of collective and individual distribution networks and spots have played an active role in providing convenience to the readers. However, many problems exist because the rules and regulations as well as the system are incomplete and imperfect, and control is weak. The overwhelming majority of illegal publications flow to society through the channels of collective and individual bookstores (or bookstands) or through unlicensed book peddlers. The basic forms of activities of these bookstores (or bookstands) at present are: Selling legal publications in the daytime, but illegal publications in the evening; selling legal publications above the counter, but illegal publications under the counter; retailing legal publications at bookstands, but wholesaling illegal publications at home. In view of this, the book market must be strictly straightened out. It is necessary to reaffirm the relevant stipulations that no unit or individual is allowed to deal in illegal publications, and those in violation of the stipulation will be punished according to the law.

It is necessary to attach importance to applying legal means to strike at illegal publication activities. The measures of confiscating and meting out fines as implemented in the past more often than not failed to hit the Achilles' heels. It is necessary to mete out administrative and economic punishments, including a significant fine to law-breakers based on the relevant state policies and decrees. [paragraph continues]

Serious cases of pursuing illegal publication activities in violation of the penal code, especially those groups and individuals involved in organizing underground printing, duplicating, and distribution networks, producing and peddling large volumes of illegal publications for huge profits, should be investigated and held criminally accountable. Leading cadres who tolerate illegal publication activities should also be investigated and held accountable, and punishment will be meted out based on party and government discipline according to different cases.

EDITORIAL STRESSES CARING FOR INTELLECTUALS

HK241512 Beijing GUANGMING RIBAO in Chinese 18 Jul 87 p 1

[Editorial: "Let Everyone Be Concerned for the Problems of Middle-Aged Intellectuals"]

[Text] On 15 July, this newspaper published the minutes of a forum on problems in the work and lives of middle-aged intellectuals. The participants offered much important information and expressed many good opinions. Leaders at all levels and people in all walks of life should pay close attention to the existing problems and the opinions.

Since the 3d Plenary Session of the 11th CPC Central Committee, the political and social position of intellectuals has been greatly raised. Middle-aged intellectuals now act as backbone elements on various fronts and form a main force in the fields of scientific research, teaching, production technology, and economic management. They are shouldering a heavy historical mission for successfully carrying out reform and promoting national economic and social development. In recent years, the party and the state have resolved many actual problems in the work and lives of middle-aged intellectuals and have made improvement of their working and living conditions. However, middle-aged intellectuals still face many difficulties and problems in their work and lives. This is a major social problem that we must not take lightly.

Many surveys have shown that middle-aged intellectuals mainly face the following difficulties and problems: Their salaries remain at a low level (with the per capita income of these households lower than the average of entire society); they still live in bad housing conditions; they must bear too-heavy work and housework burdens; many have not been given professional and technical posts suited to their abilities; and their average health conditions are worsening (with the disease and death rates of this social group higher than the social average). In 1982, outstanding middle-aged intellectuals Jiang Zhuying and Luo Jianfu unfortunately died at an early age; this evoked strong repercussions in society, and many people called for rescuing middle-aged intellectuals. Recently, more middle-aged intellectuals died one after another. In particular, the sudden death of such outstanding scientists as Zhang Guanghou and Zhong Jiaqing shocked society, and many comrades are deeply worried about this state of affairs. If these difficulties and problems are not resolved as soon as possible, they will not only seriously prevent middle-aged intellectuals from playing their important role in our socialist modernization cause, but will also effect the morale and sentiments of young intellectuals. This will be unfavorable to the cultivation of a good social atmosphere of "respecting knowledge and respecting people of learning," and also unfavorable to the enhancement of the scientific and cultural level of the entire Chinese nation. In short, this will cause serious consequences.

The problem concerning the work and lives of middle-aged intellectuals is an urgent and special problem, which should be resolved by taking some special measures. Comrade Chen Yun said 5 years ago that the problems concerning middle-aged intellectuals should not be handled as we deal with some routine affairs. He said that we should spend more money on the middle-aged intellectuals, and this is worthy, because the best steel should be used to make the knife's edge. This is a viewpoint from the high plain of our strategy. If we do not do this, the consequences will be very serious. As Lenin pointed out: "While saving a hundred million, we may lose so much that no sum will be sufficient to restore what we have lost." (Selected Works of Lenin" vol 2, p 786)

The problem concerning middle-aged intellectuals is not an isolated problem; rather, its settlement has close relations with reform. Comrade Chen Yun said that there is a principle in Marxism, that is, mental workers who have received a higher level of education should earn higher wages than manual workers. This is in line with the socialist economic law and is in the long-term interests of the people. A major purpose of our reform is to smash the egalitarian "big pot" from which will all people can eat and to realize the true socialist distribution principle on the basis of recognizing differences in people's incomes, including differences in income between mental workers and manual workers. Only thus can we effectively arouse workers' initiative and creativity and promote the development of social productive forces. Therefore, the settlement of the problems concerning middle-aged intellectuals comes into line with the purpose of our current reform. This is proved by the fact that in some enterprises and institutions that have been carrying out relevant reforms, intellectuals have received better treatment and have been enjoying better working and living conditions.

In order to resolve the problems in the working and living conditions of middle-aged intellectuals, we must give play to the initiative of all localities and units. Ours is a large country, and development in various areas is uneven with great differences in the conditions of various places. Not only must the state adopt some unified policies, but all localities, departments, and units should also take the initiative in adopting effective measures in light of their specific conditions to bring more benefit to middle-aged intellectuals. In particular, we should be bold in reforming some concrete systems and methods to achieve better results in improving the working and living conditions of middle-aged intellectuals without spending too much money.

In short, we must have a sense of urgency in resolving the problems in the working and living conditions of middle-aged intellectuals. At the same time, we should proceed from reality and seek solid results. Comrade Deng Xiaoping has emphasized many times that leaders at various levels should actually take one or two measures for bringing benefit to the intellectuals every year. If all of us can work in this spirit, we will be able to resolve the problems

SYMPOSIUM STUDIES REFORM, INITIAL SOCIALISM

HK260831 Beijing GUANGMING RIBAO in Chinese 14 Jul 87 p 1

[Report by reporters Liu Jaincheng (0491 1017 2110) and Zhang Yeqing (1728 2814 3237): "GUANGMING RIBAO Theoretical Department and Qilu Petrochemical Corporation Jointly Hold a Symposium on the Mutual Relationship Between Reform and the Initial Stage of Socialism"]

[Text] A 5-day theoretical symposium, on reform and the initial stage of socialism ended at Qilu Petrochemical Corporation on 9 July. [paragraph continues]

The meeting was jointly held by the theoretical department of this newspaper and Qilu Petrochemical Corporation of China National Petrochemical Corporation. Over 60 theoretical and practical workers from a number of provinces and cities attended the meeting. In the spirit of linking theory with practice and integrating theoretical with practical workers and theoretical studies with practical investigation, the meeting penetratingly discussed the mutual relationship between reform and the initial stage of socialism in light of the achievements attained by Qilu Petrochemical Corporation in reform over the past 8 years and the outstanding problems discovered in the course of investigation.

During the past 8 years, under the guidance of the general principle and general policy of reform, opening up, and invigorating the economy and in line with the specific reform requirements of China National Petrochemical Corporation, Qilu Petrochemical Corporation has adopted various reform measures, such as improving the plant director (manager) responsibility system and numerous forms of the economic responsibility system, adjusting and improving the system of rewards, and strengthening lateral economic association, and succeeded in invigorating the enterprise and achieving better economic results. With its profits and taxes at 1,678 million yuan and its completed investment in capital construction at 1,813 million yuan in 1985 and 1986, it has not only overfulfilled the plan for production and development but also promoted the development of the nonpublic economic sector in the locality, bringing into play its role as the main body of the socialist public economy. In the course of the investigation, however, the participants also discovered that the further development of enterprises also calls for a favorable external condition and environment. Therefore, the participants held that, while deepening the reform within the enterprises, raising labor productivity, and improving operations and management, it is also necessary to continuously straighten out the relationship between the state and enterprises and implement the principle of separating government from enterprise functions so that the enterprises can properly extend their decisionmaking power on human, financial, and material resources and give full scope to their production potentials. The participants held that large state enterprises, as a principal part of the socialist public economy, are directly or indirectly linked to the central and local management structures and, therefore, deepening the reform in large state enterprises and instilling more vitality into them is the key to developing the commodity economy at the initial stage of socialism and instituting a vigorous, lively socialist economic operational mechanism with Chinese characteristics and developing the management structure. In the view of the participants, the experience of Qilu Petrochemical Corporation proved that the initial stage of socialism is the starting point and basic stand of reform, that all specific principles and policies on reform should proceed from reality, and that the reform is the motive force of the advance of the initial stage of socialism. Without reform there would be no development of the initial stage of socialism.

In the course of inspecting Qilu Petrochemical Corporation, the participants also further realized that, at the initial stage of socialism, the reform and the upholding of the four cardinal principles are closely related and mutually dependent. Neither can be dispensed with. Carrying out the reform is aimed at promoting the development of enterprises, society, and the productive forces at the initial stage of socialism and building socialism with Chinese characteristics; while upholding the four cardinal principles is to ensure the orientation of the reform and to arouse people's high enthusiasm. The implementation of the plant director responsibility system and various forms of the economic responsibility system, as well as other reform measures, by Qilu Petrochemical Corporation vividly prove that the two basic points form a unity and that they are mutually dependent and act on each other. [paragraph continues]

In the course of fulfilling the task of putting the 300,000-ton ethylene project into production, the cadres and workers of the company stayed at the work site for several dozen days and nights in an effort to speed up socialist modernization program. They succeeded in creating what foreign experts called first-rate labor productivity. This creative spirit is the development of the Daqing spirit of hard struggle in the new period and a vivid demonstration of upholding the unity of the two basic points.

In the course of investigation, the participants also profoundly realized that regarding as classics the attached, erroneous explanations of Marxism represents a big obstacle to the deepening of the reform. Qilu Petrochemical Corporation still lacks vitality and still fails to develop perfect mechanisms for the commodity economy. An important reason for this is that people have yet to further enhance their understanding of the question of how to develop the planned commodity economy on the basis of public ownership. The participants pointed out that only by carrying out thorough investigation and deepening the reform is it possible for people to discard the traditional ideas on socialist development that are not in keeping with reality, to enhance their understanding of the reform and the initial stage of socialism, and to genuinely promote the development of Marxism.

A striking feature of that meeting was the integration of theoretical with practical workers and of on-the-spot investigation with theoretical explorations. The participants held that this practice is an important way to change the divorce of theory from practice, to make theory closely serve the four modernizations and reform, and to uphold and develop Marxism and is an effective way to open up a new situation in theoretical study.

Commentator Discusses Symposium

HK260843 Beijing GUANGMING RIBAO in Chinese 14 Jul 87 p 1

[Commentator's article: "A Useful New Attempt"]

[Text] The theoretical symposium on reform and the initial stage of socialism, jointly held by the Theoretical Department of this newspaper and Qilu Petrochemical Corporation, drew the attention of, and was well received by, the participants. This is because the meeting changed the previous practice of theoretical workers discussing theoretical questions behind closed doors and adopted the method of integrating theoretical with practical workers and on-site investigation with theoretical explorations. Holding the meeting in this way enabled theoretical workers to go deep into the realities of reform, to realistically study the new problems cropping up in the reform, to carry out theoretical demonstrations and explorations more in line with reality, to exchange views and ideas with practical workers, and thus achieve the aim of learning from each others' strong points to offset one's weaknesses and promoting and enhancing each other. Being in the forefront of the reform, the practical workers are bold in creation. They have accumulated rich experiences in reform. Integrating themselves with theoretical workers will help them generalize or sum up these extensive experiences and raise them to the level of theory. By integrating themselves with practical workers the theoretical workers can also deepen their understanding of the theory and the reform practice, thus further deepening the reform. The meeting is a useful attempt to integrate theory with practice.

Integrating theory with practice is a fine tradition of our party. Going deep into the realities of life, investigating a typical example and, together with practical workers, exploring the practical problems of reform and socialist development by means of integrating theory with practice is precisely an act of carrying forward the fine tradition of our party. For theoretical work in the period of deepening the reform, it is also an effective way to overcome ideological ossification and to change the tendency of divorcing theory from practice.

DENG XIAOPING MEETS SCIENTISTS, TECHNICIANS

OW240826 Beijing XINHUA Domestic Service in Chinese 0702 GMT 24 Jul 87

[By reporter Li Derun]

[Text] Beidaihe, 24 Jul (XINHUA) -- Today in Beidaihe Chairman of the CPC Central Advisory Commission Deng Xiaoping met with some middle-aged natural science and technology workers who have contributed significantly to the program of the four modernizations and are taking a rest here.

AT 0940 Comrade Deng Xiaoping came to the meeting hall, and was warmly applauded by the experts and their dependents.

With a smile, Deng Xiaoping shook hands with experts Hu Renyu, Tang Zhaoyou, Wang Demin, Min Guirong, Gu Songfen, Ni Weidou, Ye Disheng, Wu Zhizhong, Wang Xiaomo, Li Chengdong, Li Guilian, Xu Junlie, Jiang Chengwei, and Ma Songde as well as their dependents. The experts wished Comrade Deng Xiaoping good health and longevity.

After posing with the experts and their dependents for a group photograph, Deng Xiaoping said with delight: "The state thanks you, the party thanks you, and the people thank you for the outstanding contributions you have made in your respective fields. As for the large number of people who have made important contributions in the scientific and technological fields but who are not here today, similarly, the state thanks them, the party thanks them, and the people thank them."

Also present at today's meeting were Fang Yi, Zhang Aiping, Song Jian, and other leading comrades.

LI PENG VIEWS DEVELOPMENT OF POWER INDUSTRY

OW251417 Beijing XINHUA Domestic Service in Chinese 1428 GMT 24 Jul 87

[Text] Beijing, 24 Jul (XINHUA) -- Meeting with some of the representatives participating in a "Symposium on Accelerating the Development of Hebei's Power Industry," Li Peng, vice premier of the State Council, pointed out: To speed up the development of the power industry around the country, it is imperative to reform the investment system; that is, to embark on a new path combining state and local investment.

The symposium lasted from 18 to 23 July and was co-sponsored by the Ministry of Water Conservancy and Electric Power and the Hebei Provincial Government. During the symposium, many valuable opinions and constructive suggestions on how to speed up the development of the power industry were offered by participating representatives.

On 21 July, when Li Peng was meeting with representatives attending this symposium, a responsible comrade from the Ministry of Water Conservancy and Electric Power gave a briefing on the development of the North China power grid in recent years.

Recently, the power grid in western Nei Monggol has been connected with the main power grid of North China. This has resulted in a joint power grid covering Beijing, Tianjin, Tangshan, southern Hebei, Shanxi, and western Nei Monggol. In 1985, new generators totalling 900,000 kw were put into operation under this power grid. The new generations put into operations in 1986 had a capacity of 975,000 kw. This year an additional 1 million kw are expected to be added, and from 1988 to 1990 the grid's total capacity will be further increased by 6 million kw. With the addition and operation of many new generating units, the power output during the first half of this year was 9.97 percent more than in the corresponding period last year, making it possible to reduce the instances when unplanned power cut-offs were used as an improvised measure to limit power consumption. In the meantime, fairly rapid progress has been made in raising funds to build power projects. Examples to Hebei Province are four 200,000 kw generating units in the Xingtai Power Plant and two 350,000 kw generating units in the Shangan Power Plant, the latter being a cooperative project with the Hua Neng International Power Development Corporation. A number of other construction projects to be built with self-raised funds are in the preparation stage. Tianjin has raised funds to build the third- and fourth-stage projects of its Junliantgcheng Power Plant. Beijing will raise funds for the construction of the Gaobeidian Thermal Power Plant, the Shisanling Pump-Storage Power Station, and some other projects. Shanxi Province has raised funds to build the Yongji, Zhangze, and Liulin, power plants. In Nei Monggol, funds have been raised to build the Fengzhen Power Plant and to expand the Baotou No 2 Power Plant. Most of the new generating units put into operation are thermal power generators, and they are located near the centers of power consumption.

According to this responsible comrade of the Ministry of Water Conservancy and Electric Power, the North China power grid, though fairly well developed, cannot as yet meet the growing demand for electricity arising from the development of the economy and the people's everyday life. Therefore we should grasp the opportune time to begin a number of new power construction projects in the last 3 years of the Seventh 5-Year Plan and in the early period of the Eighth 5-Year Plan and pay attention to making these two plans dovetail with each other.

At the meeting with the representatives, Li Peng said that the symposium was a success because it raised the question of how to dovetail the Seventh and Eighth 5-Year Plans for the North China power grid and proposed a number of projects as options for the state in making decisions. He added: To speed up the development of the power industry in North China, two things are necessary: first, to depend on expansion projects aimed at tapping the potential of present power plants; and, second, to build new power plants, mainly thermal power plants, as well as some pump-storage power stations. The reason for developing thermal power plants in North China is to cope with the water problem. Thermal power stations should be located near the centers of power consumption.

In addition, Li Peng said: The power management system must be reformed. Every province and municipality is very enthusiastic about building power projects. We should make the best use of this situation; that is, mobilize the enthusiasm of all provinces, municipalities, departments, and enterprises to raise funds through diverse channels for construction of power projects. As for the management of power grids, we may give full scope to the role of economic entities at the provincial level on the basis of the principle of "the joint power grid under unified management." Those in charge of power grids may adopt different management methods suited to their specific conditions and use economic, legal, technological, and administrative measures to make the management of their power grids a real success.

LI PENG URGES EFFORTS TO CONTROL FLOODING

HK240845 Beijing CHINA DAILY in English 24 Jul 87 p 3

[By staff reporter Wen Jia]

[Text] Vice-Premier Li Peng, also director of the Central Flood-Control Headquarters in Beijing, has called on Hubei and Hunan provincial governments to mobilize their forces to fight the flood peak on the Yangtze River.

The peak, formed on Tuesday night in the upper reaches with a flow of 64,600 cubic metres a second, was joined by water from Wujiang River in Sichuan Province yesterday. It is the third largest since New China was founded in 1949.

More water is expected to join the peak today in Hubei Province, according to officials at the headquarters. The water level at Shashi City may rise one metre above the flood level tonight, posing a threat to river banks in Hubei and Hunan provinces.

In response to Li's call, leaders in both provinces have gone to the critical areas to help fight the floods. Zhou Zhenxian, deputy director of the headquarters' office, left for Shashi yesterday. Millions of farmers, workers and soldiers led by local officials have taken up stations along the river banks in these provinces, officials at the headquarters said.

Navigation on the Yangtze near Gezhouba in Hubei Province, China's largest dam, has been suspended, officials at the flood-control office of the Ministry of Communications said.

Earlier, night navigation was stopped between Fuling and Fengdu in Sichuan Province and at the Three Gorges area where Sichuan joins Hubei.

In the past few days, rainstorms have hit Sichuan, Hubei, Hunan, Anhui, Jiangsu and Henan Provinces and Shanghai. In Shanghai, a 10-year-old boy was struck dead by lightning on Wednesday. Torrential rains also flooded farmlands on the city's out-skirts. Water flooded thousands of homes in the city.

Rainstorms drenched Shanghai on Wednesday afternoon and night. In an hour-and-a-half, rainfall in some areas reached 112 millimetres, CHINA NEWS SERVICE reported yesterday.

In Jiangsu Province of East China, 12 villages and some cities, 6,000 hectares of cotton fields and 26000 hectares of rice paddies have been flooded since July 18.

In Wuyou Town near Yancheng City, which got 240 millimetres of rain in four hours, more than 100 houses collapsed, a XINHUA report said. Three people died and two others were missing after a typhoon, the fifth this year, lashed southern Taiwan Province on Tuesday, XINHUA said.

Hundreds of hectares of farmland were affected and telephone lines were disrupted.

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